

ANNUAL REPORT TO STOCKHOLDERS



1951

THE COCA-COLA COMPANY
NEW YORK, NEW YORK

BOARDS

834.18

(642r



ANNUAL REPORT

THE COCA-COLA COMPANY
AND ITS SUBSIDIARIES



FOR THE YEAR
1951

THE COCA-COLA COMPANY

BOARD OF DIRECTORS

HARRISON JONES, *Chairman*

A. A. ACKLIN		HUGHES SPALDING
CHAS. H. CANDLER	BERNARD F. GIMBEL	E. W. STETSON
R. R. DEUPREE	WILLIAM J. HOBBS	D. A. TURNER
MRS. LETTIE P. EVANS	J. P. ILLGES	GEORGE W. WOODRUFF
A. B. FREEMAN	WINSHIP NUNNALLY	R. W. WOODRUFF

EXECUTIVE COMMITTEE

R. W. WOODRUFF, *Chairman*

CHAS. H. CANDLER		D. A. TURNER
HUGHES SPALDING	E. W. STETSON	GEORGE W. WOODRUFF

A. A. ACKLIN, *Chairman, Advisory Committee*

OFFICERS

WILLIAM J. HOBBS	<i>President</i>
FELIX W. COSTE	<i>Vice President</i>
EDGAR J. FORIO	<i>Vice President</i>
HOLLAND B. JUDKINS	<i>Vice President</i>
O. E. MAY	<i>Vice President</i>
HAROLD S. SHARP	<i>Vice President</i>
JOHN C. STATON	<i>Vice President</i>
C. L. TALLEY	<i>Vice President</i>
T. CARL THOMPSON	<i>Vice President</i>
H. B. NICHOLSON	<i>Vice President and Treasurer</i>
JOHN D. GOODLOE	<i>Vice President and Secretary</i>

COUNSEL

POPE F. BROCK

TRANSFER AGENTS

WILMINGTON TRUST COMPANY
Wilmington, Delaware

GUARANTY TRUST COMPANY OF NEW YORK
New York, N. Y.

REGISTRARS

EQUITABLE TRUST COMPANY
Wilmington, Delaware

CHASE NATIONAL BANK
New York, N. Y.

THE COCA-COLA COMPANY
NEW YORK, NEW YORK

March 14, 1952

TO STOCKHOLDERS OF
THE COCA-COLA COMPANY:

Submitted herein are financial statements for 1951. Net profit applicable to common stock, after taxes and all other charges, was \$26,123,838, or \$6.11 per share.

Provisions for income taxes, including excess profits taxes, for the year 1951 were \$32,734,000, or at the rate of \$7.66 per share (\$1.83 per share more than in 1950).

The balance sheet reflects that inventories were increased during 1951 as was total working capital of the Company.

Gallon sales, both in the United States and abroad, continued an upward trend and in 1951 were the highest in the Company's 66 year history. This trend has continued into 1952 and for the first two months of this year gallon sales were substantially above the same period last year.

Emphasis on increasing volume and on promotion of a broader consumer acceptance of Coca-Cola will be continued in all areas of the world in which the Company and its subsidiaries do business.

The annual meeting of stockholders of the Company will be held at 11:00 A.M., E.S.T., on Monday, May 5, 1952, at the offices of the Company, 100 West Tenth Street, Wilmington, Delaware. Notice of this meeting and proxies will be separately mailed to stockholders.

Respectfully submitted,

WILLIAM J. HOBBS,
President.

HARRISON JONES,
Chairman, Board of Directors.

CONSOLIDATED
THE COCA-COLA COMPANY AND I
December

ASSETS

CURRENT:

Cash on deposit	\$25,258,606.72	
Government securities—at cost:		
United States and Canadian—		
(market value \$31,158,315.59) . . .	31,112,912.84	
Accounts receivable—Trade—		
(less allowance of \$62,594.92) . . .	12,225,932.57	
Inventory—Merchandise—		
(priced at lower of cost or market) . .	<u>43,591,987.52</u>	\$112,189,439.65

OTHER INVESTMENTS AND OTHER ASSETS:

Security investments—at cost—		
(market value \$818,550.00)	\$ 478,104.49	
Other receivables and miscellaneous . . .	<u>6,706,013.25</u>	7,184,117.74

PROPERTY, PLANT AND EQUIPMENT—at cost:

Land	\$ 4,035,485.24
Buildings	30,670,195.22
Machinery and equipment	42,708,325.51
Containers	<u>13,255,892.34</u>
	\$90,669,898.31

Less allowance for depreciation	<u>33,134,448.09</u>	57,535,450.22
---	----------------------	---------------

FORMULAE, TRADE-MARK AND GOODWILL—at cost . . .	41,440,683.11
---	---------------

DEFERRED CHARGES	<u>2,776,541.32</u>
----------------------------	---------------------

\$221,126,232.04

The notes on page 7 constitute an

BALANCE SHEET
 TS CONSOLIDATED SUBSIDIARIES
 31, 1951

LIABILITIES

CURRENT:

Accounts payable and accrued accounts	\$ 14,285,218.27	
Notes payable by subsidiaries	1,866,308.55	
Accrued taxes—including taxes on income	\$35,292,618.00	
Less U. S. Treasury tax notes	23,649,865.56	11,642,752.44
		<u>\$ 27,794,279.26</u>

OTHER NOTES PAYABLE BY SUBSIDIARIES	1,154,000.00
---	--------------

RESERVES:

For unremitted foreign profits	\$21,617,682.31	
For employees' retirement plan	4,362,265.18	25,979,947.49

MINORITY INTERESTS IN SUBSIDIARIES	369,292.90
--	------------

CAPITAL STOCK:

Common—no par value:

Authorized	5,000,000 shares	
Issued	4,280,805 shares	\$26,755,031.25

CAPITAL SURPLUS	1,825,047.75
---------------------------	--------------

EARNED SURPLUS	137,569,120.90
--------------------------	----------------

\$166,149,199.90

Less 4,827 shares of common stock owned by Company—at cost	320,487.51	165,828,712.39
		<u>\$221,126,232.04</u>

integral part of this statement.

CONSOLIDATED PROFIT AND LOSS STATEMENT
THE COCA-COLA COMPANY AND ITS CONSOLIDATED SUBSIDIARIES
Year Ended December 31, 1951

GROSS PROFIT		\$123,477,571.54
EXPENSES		
Selling, administrative and general		65,179,216.82
OPERATING PROFIT		\$ 58,298,354.72
Other income	\$ 2,588,294.35	
Less other deductions	2,010,625.65	577,668.70
PROFIT BEFORE TAXES ON INCOME		\$ 58,876,023.42
Provision for taxes on income—estimated:		
Federal, state and foreign income and		
excess profits taxes		32,734,000.00
		\$ 26,142,023.42
Less portion of subsidiary earnings		
applicable to minority interests		18,185.71
NET PROFIT		<u>\$ 26,123,837.71</u>

CONSOLIDATED EARNED SURPLUS ACCOUNT
THE COCA-COLA COMPANY AND ITS CONSOLIDATED SUBSIDIARIES
Year Ended December 31, 1951

Balance—December 31, 1950		\$132,825,173.19
Net profit for the year ended December 31, 1951		26,123,837.71
		<u>\$158,949,010.90</u>
DEDUCTIONS		
Dividends paid in cash:		
Mar. 30, 1951—\$1.00 per share	\$ 4,280,805.00	
June 29, 1951—\$1.00 per share	4,280,805.00	
Sept. 28, 1951—\$1.00 per share	4,280,805.00	
Dec. 14, 1951—\$1.00 per share		
plus \$1.00 per share additional	8,561,610.00	
		<u>\$21,404,025.00</u>
Less dividends on 4,827 shares		
owned by Company during year	24,135.00	21,379,890.00
EARNED SURPLUS—DECEMBER 31, 1951		<u><u>\$137,569,120.90</u></u>

The notes on page 7 constitute an integral part of these statements.

NOTES TO FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET:

1. *Goodwill and Capital Surplus.* During the year the formulae, trade-mark and goodwill account was increased \$7,866.69 and the capital surplus account was increased \$164.60. These changes resulted from acquisition of capital stock in a subsidiary.

2. *Foreign Operations.* The accounts of subsidiaries and branches operating in foreign countries, consolidated in this balance sheet, consist of: current assets, \$27,040,781.02 (including cash and government securities aggregating \$11,654,032.82); property, plant and equipment at depreciated cost, \$17,791,125.32; other assets, \$3,216,879.08; and liabilities, \$14,679,737.10. Fixed assets are stated at rates of exchange prevailing at dates of acquisition and all other assets at rates of exchange prevailing at December 31, 1951. Unremitted profits of such subsidiaries and branches, consolidated herein, are included as follows: \$21,617,682.31 in the reserve for unremitted foreign profits and \$1,268,949.62 in earned surplus.

CONSOLIDATED PROFIT AND LOSS STATEMENT:

3. *Depreciation.* Provision for depreciation in the amount of \$5,731,064.24 was charged to manufacturing and other expenses.

4. *Other Deductions.* Other deductions include interest paid \$193,306.98; addition to reserve for unremitted foreign profits \$123,256.66; and addition to reserve for employees' retirement plan \$106,966.34, against which reserve has been charged \$13,830.20, the amount funded during the year.

5. *Foreign Profits Remitted.* Dividends from companies operating in foreign countries, the current profits of which are not reserved for, were \$2,017,731.07 in excess of profits of such companies consolidated herein.

ERNST & ERNST

ACCOUNTANTS AND AUDITORS
SYSTEM SERVICE

TO THE BOARD OF DIRECTORS
THE COCA-COLA COMPANY
NEW YORK, NEW YORK

We have examined the consolidated balance sheet of THE COCA-COLA COMPANY and its consolidated subsidiaries as of December 31, 1951, and the related statements of profit and loss and surplus for the year then ended. Our examination of the Company and its domestic subsidiaries was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. Statements of foreign subsidiaries and branches consolidated herein were furnished to us as certified by other independent accountants.

In our opinion, based upon our examination and the statements of foreign subsidiaries and branches consolidated, above referred to, the accompanying balance sheet and related statements of profit and loss and surplus present fairly the position of THE COCA-COLA COMPANY and its consolidated subsidiaries at December 31, 1951, and the consolidated results of their operations for the year then ended, in conformity with generally accepted accounting principles, applied on a basis consistent with that of the preceding year.

ERNST & ERNST
Certified Public Accountants

March 3, 1952



